

!KHEIS MUNICIPALITY



! Kheis
Munisipaliteit
Municipality

FINANCIAL STATEMENTS

30 JUNE 2009

!KHEIS MUNISIPALITEIT/MUNICIPALITY
FINANSIËLE STATE VIR DIE JAAR GEëINDIG 30 JUNIE 2009
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

INDEX	Page
1 GENERAL INFORMATION	3
2 ACCOUNTING POLICIES	4-5
3 TREASURER'S REPORT	6-8
4 BALANCE SHEET	9
5 INCOME STATEMENT	10
6 CASH FLOW STATEMENT	11
7 NOTES TO THE FINANCIAL STATEMENTS	12-16
 APPENDICES	
A STATUTORY FUNDS, TRUST FUNDS AND RESERVES	17
B EXTERNAL LOANS AND INTERNAL ADVANCES	18
C ANALYSIS OF FIXED ASSETS	19
D ANALYSIS OF OPERATING INCOME AND EXPENDITURE	20
E DETAILED INCOME STATEMENT	21
F STATISTICAL INFORMATION	22

IKHEIS MUNISIPALITEIT/MUNICIPALITY
VOORWOORD VAN DIE BURGEMEESTER VIR JAAR GEËINDIG 30 JUNIE 2009
MAYORS FOREWORD FOR THE YEAR ENDED 30 JUNE 2009

The 2008/2009 financial year was once again a trying year for the Municipality. No progress were made in improving the financial sustainability and viability of the Municipality.

Many institutional challenges have been identified that will require our attention in the next ensure that our service delivery objectives are met. These relate to the high level of debtors and the need to reduce it, maintaining as close as possible a 100% collection rate, a financial management strategy to address municipal services backlogs, conversion to new GRAP Accounting standards and to increase job creation efforts. With the approval of the SDBIP (Service Delivery and Budget Implementation Plan) on 29 May 2008, Council have taken a major step in the right direction in providing Management with an instrument that will largely enhance the Municipality's capacity to orderly budget and control the implementation of its budget.

The organizational structure also requires substantial revision. The Acting Municipal Manager consultation with the LLF and Council, is in the process of drawing up a new organogram and placements will take place as soon as it is approved. This will further contribute towards a more positive atmosphere that is conducive to improved staff productivity and moral.

With very limited resources, our budget choices had to be responsive to the social and conditions facing our communities and yet had to be based on a sound and sustainable fiscal framework. The service delivery and socio-economic development challenges are many, and thus it is critical that in order to address these challenges successfully, we have to spend the optimally to maximize the impact.

I am positive that the financial situation as well as service delivery will improve in the financial year, and that the challenges faced by the Municipality will be overcome.

In conclusion I would like to express my appreciation to the Council, Municipal Manager and all staff, for their support, co-operation and hard work.

S. Jansen
Mayor

IKHEIS MUNISIPALITEIT/MUNICIPALITY
FINANSIËLE STATE VIR DIE JAAR GEËINDIG 30 JUNIE 2009
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

GENERAL INFORMATION

RAADSLEDE/MEMBERS OF THE COUNCIL

Raadslede/Councilors: S M Jansen (Mayor)

E. Cloete

J P I Joseph

S. Esua

W. Maritse

H. Smith

T. Esua

GRAAD VAN MUNISIPALITEIT/GRADING OF LOCAL AUTHORITY

Graad 1/Grade 1

OUдитеURE/AUDITORS

Ouditeur Generaal/Auditor General

BANKIERS/BANKERS

Eerste Nasionale Bank/First National Bank

GEREGISTREERDE KANTOOR/REGISTERED OFFICE

Munisipale kantore/Municipal offices

Orange Straat 97/Oranje Street 97

GROBLERSHOOP

Posbus 176/P O Box 176

GROBLERSHOOP

Telefoon nommer/Telephone number: (054) 833 9500

Faks nommer/Fax number:

WAARNEMENDE MUNISIPALE BESTUURDER/ACTING MUNICIPAL MANAGER

Me T. Scheepers

HOOF FINANSIES/FINANCIAL MANAGER

Me E. Keyser

GOEDKEURING VAN FINANSIELE STATE/APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 4 to 22 were approved by the Municipal Manager on

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Acting Municipal Manager

Acting Chief Financial Officer

IKHEIS MUNISIPALITEIT/MUNICIPALITY
FINANSIËLE STATE VIR DIE JAAR GEËINDIG 30 JUNIE 2009
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

REKENINGKUNDIGE BELEID/ACCOUNTING POLICY

1. BASIS OF PRESENTATION

- 1.1 The financial statements have been prepared so as to conform to the standards laid down by the Institute of the Municipal Treasurers and Accountants in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets as more fully detailed in accounting policy note 3. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.
- 1.3 The financial statements are prepared on the accrual basis as stated:
- Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licenses.
 - Expenditure is accrued in the year it is incurred.

2. CONSOLIDATION

The financial statements include Rates and General services, Trading services and the different funds and reserves. All the inter- departmental charges are set - off against each other, with the exception of assessment rates, refuse removal, sewerage and water, which are treated as income and expenditure in the respective departments.

3. FIXED ASSETS

3.1 Fixed assets are stated:

- At historical cost, or
- At valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.

3.2 Depreciation

The balance shown against the heading " Loans Redeemed and Other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

- Appropriation from income, where the full cost of the assets forms an immediate and direct charge against the operating income, and therefore is unnecessary to make any further provisions for depreciation.
- Grants or donations, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and Other Capital Receipts" account.

3.3 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans are repaid within the estimated lives of the assets acquired from such loans or advances. Interest is charged to the service concerned at the ruling interest rate applicable at the time that the advance was made.

3.4 All net proceeds from the sale of fixed property are credited to the Revolving Fund. Net proceeds from the sale of all other assets are credited as income to Rates and General services.

4. INVENTORY

No inventory is kept as all stores and materials are debited to the relevant expenditure vote when items are purchased.

**IKHEIS MUNISIPALITEIT/MUNICIPALITY
FINANSIËLE STATE VIR DIE JAAR GEËINDIG 30 JUNIE 2009
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009**

REKENINGKUNDIGE BELEID/ACCOUNTING POLICY

5. FUNDS AND RESERVES

5.1 Revolving Fund

Contributions to the Revolving Fund are calculated at a rate of 7.5% of the property tax levied in the previous year.

6. PROVISIONS

Provision are created for liabilities or contingencies which are known or not known at the date of the balance sheet but for which the amounts involved cannot be determined with substantial accuracy.

7. RETIREMENT BENEFITS

The Council and its members contribute to either the Cape Joint Retirement Fund or the Imatu Retirement Fund to provide retirement benefits to employees.

Current contributions by the Municipality are charged against operating income on the basis of current service costs.

8. SURPLUSES AND DEFICITS

Any surpluses or deficits arising from the operation of Water services are transferred to Rates and General services.

9. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The cost of internal support services are transferred to the different services in accordance with the Institute Report on Accounting for Support Services(June 1990).

10. INVESTMENTS

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred.

11. INCOME RECOGNITION

11.1 Water Billings

All meters are read and billed monthly.

11.2 Assessment rates

The municipality applies a fixed rating system.

!KHEIS MUNISIPALITEIT/MUNICIPALITY
DIE TESOURIER SE VERSLAG VIR DIE JAAR GEËINDIG 30 JUNIE 2009
THE TREASURERS' REPORT FOR THE YEAR ENDED 30 JUNE 2009

1. Introduction

It is my pleasure to present an overview of the operating results for the year ended 30 June 2009.
The Council's activities during the 2008/2009 financial year resulted in an accumulated surplus of R2 868 191

2. Operating Results

Details of the operating results per department, classification and object of expenditure are included in appendix D and E. The statistics are shown in appendix F. The overall operating results for the year ended 30 June 2009 are as follows:

Income	Actual	Actual	Variance	Budget	Variance
	2008	2009	2008/2009	2009	Actual/Budget
	R	R	%	R	%
Opening surplus	17 532	17 882		0	
Operating income for the year	12 151 628	14 870 347	22.37%	15 166 490	1.95%
Closing surplus					
Total	12 169 160	14 888 229		15 166 490	
Opening deficit	0	0			
Operating expenditure for the year	11 919 071	12 093 879	1.47%	15 330 373	21.11%
Sundry Transfers	-232 207	54 042			
Closing surplus	17 882	2 848 391		-163 883	

Operating income has increased by 22.37% as a result of an increase in respect of income from community, economic and trading services.

The increase of 1.30 % in operating expenses was a direct result of an increase of community services expenses.

IKHEIS MUNISIPALITEIT/MUNICIPALITY
DIE TESOURIER SE VERSLAG VIR DIE JAAR GEËINDIG 30 JUNIE 2009
THE TREASURERS' REPORT FOR THE YEAR ENDED 30 JUNE 2009

The following is a summary of the operating results for the Municipality.

2,1 Rates and general services

	Actual	Actual	Variance	Budget	Variance
	2008	2009	2008/2009	2009	Actual/Budget
	R		%	R	%
Income	9 635 223	12 326 446	27.93%	12 236 112	-0.74%
Expenditure	10 122 034	10 499 545	3.73%	13 319 363	21.17%
Surplus (deficit)	-486 811	1 826 901	-475.28%	-1 083 251	268.65%
Surplus (deficit) as % of total income	-5.05%	14.82%		-8.85%	

2.2 Trading services

Water

	Actual	Actual	Variance	Budget	Variance
	2008	2009	2008/2009	2009	Actual/Budget
	R	R	R	R	%
Income	2 516 405	2 543 900	1.09%	2 930 378	13.19%
Expenditure	1 797 037	1 594 335	-11.28%	2 011 010	20.72%
Surplus/ (deficit)	719 368	949 566		919 368	
Surplus/ (deficit) as % of total income	28.59%	37.33%		31.37%	

IKHEIS MUNISIPALITEIT/MUNICIPALITY
DIE TESOURIER SE VERSLAG VIR DIE JAAR GEËINDIG 30 JUNIE 2009
THE TREASURERS' REPORT FOR THE YEAR ENDED 30 JUNE 2009

3. CAPITAL EXPENDITURE AND FINANCING

Capital expenditure consists of the following:

	Actual 2009 R	Budget 2009 R	Actual 2008 R
Rates and General	-	70 525	401 454
Sanitation/Sewerage	-	4 721 000	345 288
Water network	2 552 096	-	-
Public works	-	-	-
Housing	-	-	-
Total	2 552 096	4 791 525	746 742

Resources used to finance the fixed assets were as follows:

	Actual 2009 R	Budget 2009 R	Actual 2008 R
Grants and subsidies	4 440 966	4 721 000	345 288
Contributions from operation income	-	70 525	19 035
Loans	-1 888 870	-	382 419
Other	-	-	-
Total	2 552 096	4 791 525	746 742

4. External loans, investments and cash

On 30 June 2009 external loans amounted to R 2 401 596 (R2 249 074 in 2008) and internal loans amounted to Rnil

More information regarding loans and investments are disclosed in notes (4 and 7) and Appendix B' to the financial statements.

5. Funds and reserves

More information regarding funds and reserves are disclosed in notes 1 to 3 and Appendix 'A' to the financial statements.

6. Post balance sheet events

None.

7. General

None.

8. Appreciation

I would like to thank the Mayor, other Councilors, the Municipal Manager and Departmental Heads for the support they have given me and my personnel during the year.

Acting Chief Financial Officer

**IKHEIS MUNISIPALITEIT/MUNICIPALITY
BALANSSTAAT SOOS OP 30 JUNIE 2009
BALANCE SHEET AS AT 30 JUNE 2009**

	Note	2008/2009	2007/2008
<i>CAPITAL EMPLOYED</i>			
FUNDS AND RESERVES		952 155	925 157
Statutory Funds	1	952 155	925 157
Reserves	2	-	-
RETAINED INCOME/(ACCUMULATED DEFICIT)	18	2 848 391	17 882
		3 800 546	943 039
TRUST FUNDS	3	2 781 377	1 846 002
LONG-TERM LIABILITIES	4	2 401 596	2 249 074
CONSUMER DEPOSITS: SERVICES	5	45 695	44 095
		9 029 236	5 082 231
<i>EMPLOYMENT OF CAPITAL</i>			
FIXED ASSETS	6	1 766 907	1 833 309
INVESTMENTS	7	-	-
LONG-TERM DEBTORS	8	-	-
		1 766 907	1 833 309
NETT CURRENT ASSETS/(LIABILITIES)		7 262 328	3 248 922
CURRENT ASSETS		16 128 386	9 533 455
Short-term investments	7	672 731	711 242
Debtors	10	15 455 194	8 821 752
Short-term portion of long-term debtors	8	-	-
Cash at bank		461	461
CURRENT LIABILITIES		8 866 058	6 284 533
Creditors	13	6 758 751	3 794 170
Short-term portion of long-term liabilities	4	470 963	456 874
Provisions	12	179 096	179 096
Bank Overdraft		1 457 248	1 854 393
		9 029 236	5 082 231
<div style="display: flex; justify-content: space-between;"> <div> Me T Scheepers Acting Municipal Manager </div> <div> Miss: E Keyser Acting Chief Financial Officer </div> </div>			

2007/2008 Actual Income R	2007/2008 Actual Expenditure R	2007/2008 Surplus (Deficit) R		2008/2009 Actual Income R	2008/2009 Actual Expenditure R	2008/2009 Surplus (Deficit) R	2008/2009 Budget Surplus/(Deficit) R
RATES AND GENERAL SERVICES							
9 635 223	10 122 034	-486 811		12 326 446	10 499 545	1 826 901	-1 083 251
7 121 751	9 599 800	-2 478 049	Community Services	9 634 115	9 843 654	-209 539	-3 091 260
-	-	-	Subsidised Services	-	-	-	-
2 513 472	522 234	1 991 238	Economic Services	2 692 332	655 891	2 036 441	2 008 009
-	-	-	HOUSING	-	-	-	-
2 516 405	1 797 037	719 368	TRADING SERVICES	2 543 900	1 594 335	949 566	919 368
12 151 628	11 919 071	232 557	TOTAL	14 870 347	12 093 879	2 776 467	-163 883
		-232 207	Appropriations for the year			54 042	
		350	Net surplus\ (deficit) for the year			2 830 509	
		17 532	Accumulated Surplus\ (Deficit) beginning of the year			17 882	
		17 882	ACCUMULATED SURPLUS\ (DEFICIT) AT THE END OF THE YEAR			2 848 391.14	

!KHEIS MUNISIPALITEIT/MUNICIPALITY
KONTANTVLOEISTAAT VIR DIE JAAR GEëINDIG 30 JUNIE 2009
CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2008/2009	2007/2008
<i>CASH RETAINED FROM OPERATING ACTIVITIES</i>		4 700 194	1 592 563
Cash generated by operations	19	3 335 527	2 100 148
Investment Income	17	-	96667
(Increase)/Decrease in working capital	20	-3 668 861	-876265
		-333 335	1 320 550
Less: External Interest paid	17	361 365	208094
Cash available from operations		-694 700	1 112 456
Cash contributions from the public and Government		5 300 719	480107
Net proceeds on disposal of fixed assets		94 175	
<i>CASH UTILIZED IN INVESTING ACTIVITIES</i>			
Investment in Fixed Assets		-4 468 738	-746742
NET CASH FLOW		231 456	845 821
<i>CASH EFFECTS OF FINANCIAL ACTIVITIES</i>			
Increase/(decrease) in long-term loans	21	126 716	261964
Increase/(decrease) in short-term loans		-	0
(Increase)/decrease in cash investments	22	38 511	-25466
(Increase)/decrease in cash	23	-396 684	-1082319
NETT CASH (GENERATED) \UTILISED		-231 456	-845 821

IKHEIS MUNISIPALITEIT/MUNICIPALITY
AANTEKENINGE TOT DIE FINANSIËLE STATE SOOS OP 30 JUNIE 2009
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2008/2009	2007/2008
1. Statutory Funds		
Revolving Fund	-952 155	-925 157
	<u>-952 155</u>	<u>-925 157</u>
(Refer to appendix A for more detail)		
2. Reserves:		
	-	-
	<u>-</u>	<u>-</u>
3. Trust funds:		
DWAF - Water	299 458	127 130
One Stop Service Centre	16 507	16 507
Financial Management Grant	344 223	261 135
Siyanda DM -Lightning project	346 608	346 608
SJG Kruger - House Wegdraai	0	-10 646
Sanitation Toilets	-	6 334
Topline Community Hall	566 178	566 178
Upgrading Water Purification 04	33 021	132 231
Upgrading Water Purification G/Hoop	593 937	-192 660
Wegdraai Sportgronde - Lotto	0	231 945
Boegoeberg Sportgronde - Lotto	221 946	361 240
	<u>2 781 377</u>	<u>1 846 002</u>
4. Long-term Liabilities		
External loans	2 872 559	2 705 948
	-	-
	<u>2 872 559</u>	<u>2 705 948</u>
	470 963	456 874
Less:		
Short term portion	<u>470 963</u>	<u>456 874</u>
	<u>2 401 596</u>	<u>2 249 074</u>
External loans were advanced by Absa Bank,BMW Finance and Nissan Finance(Wesbank)		
Internal loans are advanced by the Revolving Fund. The loans bear interest at of 3% to 13% and is repayable over periods between 1 and 30 years.		
None of the loans are secured by any assets of the municipality.		
(Refer to Appendix B for more detail on long-term liabilities)		
5. Consumer Deposits:Services		
Water	<u>45 695</u>	<u>44 095</u>
6. Fixed Assets		
Fixed Assets at the beginning of the year	23 411 920	22 665 178
Fixed Assets aquired during the year	4 468 738	746 742
Less: Fixed Assets written off or sold	<u>94 175</u>	<u>-</u>
Total Fixed Assets	27 786 483	23 411 920
Less: Loans redeemed and other capital receipts	<u>-26 019 577</u>	<u>-21 578 611</u>
Net Fixed Assets	<u>1 766 906</u>	<u>1 833 309</u>
(Refer to Appendix C for more detail on fixed assets)		

!KHEIS MUNISIPALITEIT/MUNICIPALITY
AANTEKENINGE TOT DIE FINANSIËLE STATE SOOS OP 30 JUNIE 2009
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2008/2009	2007/2008
7. Investments		
Unlisted - Fixed Deposits, savings and special savings		
Rekening Nr.621 024 175 67	-	1 018
Rekening Nr.711 297 938 76	-	65 208
Rekening Nr.621 372 985 52	-	10 000
Rekening Nr.621 505 594 86	-	10 066
Rekening Nr.741 165 152 79	-	624 950
	<u>672 731</u>	<u>711 242</u>
8. Long-term Debtors:		
None		
9. Stock:	-	-
10. Debtors:		
Consumers	13 389 600	11 333 734
Property Taxes	380 423	390 186
Thumelo Youth Trust Farm	53 029	53 029
Vat (To Claim)	4 772 417	357 631
Vat (On Returns)	29 349	29 349
Other	233 709	61 156
	<u>18 858 527</u>	<u>12 225 085</u>
Less: Provision for bad debts	<u>-3 403 333</u>	<u>-3 403 333</u>
	<u>15 455 194</u>	<u>8 821 752</u>
11. Deferred charges:		
No deferred charges for the year	-	-
12. Provisions:		
Leave accruals	179 096	179 096
Bad Debts	-	-
	<u>179 096</u>	<u>179 096</u>
13. Creditors:		
Vat (Outstanding Debtors)	6 448 413	1 423 677
Vat (Payable to SARS)		558 713
Suspense Creditors	310 338	1 811 780
Salarisse		-
	<u>6 758 751</u>	<u>3 794 170</u>

!KHEIS MUNISIPALITEIT/MUNICIPALITY
AANTEKENINGE TOT DIE FINANSIële STATE SOOS OP 30 JUNIE 2009
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2008/2009	2007/2008
14. Assessment Rates:		
	Valuation as at 2005/07/01	Actual Income 2008/2009
		Actual Income 2007/2008
Buildings	15 124 540	356 155
		359 979
Valuation of land are performed every five years and the last general valuation was done on 2/6/97. The basic rate was 0,0199 per Rand on residential land and 0,0199 per Rand on business erven. A rebate of 20% was granted to Government institutions.		
15. Remuneration:		
15.1. Councillors		
Mayor	430 598	430 598
Councillors	698 077	698 077
Pension contributions of Councillors	-	-
	<u>1 128 675</u>	<u>1 128 675</u>
Councillor's remuneration are within the upper limits as prescribed.		
15.2. Municipal Manager	374 352	374 352
Chief Financial Officer	265 678	265 678
Acting Municipal Manager	-	-
	<u>640 030</u>	<u>640 030</u>
16 Auditors' Remuneration:		
Audit fees	-	114 000
17 Financial transactions:		
<i>Total external interest earned and paid</i>		
Interest earned: Investments		96 667
Interest paid: Bank	63 854	63 854
<i>Capital charges debited to operating account</i>		
Interest: External	275 680	208 094
Interest: Internal	-	-
Redemption: External	126 716	180 471
Redemption: Internal	-	-
Plus redemption: Redemption fund	-	-
	<u>402 396</u>	<u>388 565</u>
18 Appropriations:		
<i>Appropriation account</i>		
Operating (deficit)\surplus at the beginning of the year	17 882	17 532
Operating (deficit)\surplus for the year	2 776 467	232 557
Appropriation for the year	54 042	-232 207
	<u>2 848 391</u>	<u>17 882</u>
<i>Operating account</i>		
Fixed assets	-	19 035
Contribution to : Revolving Fund	26 998	23 784
	-	-
	-	-
	<u>26 998</u>	<u>42 819</u>

IKHEIS MUNISIPALITEIT/MUNICIPALITY
AANTEKENINGE TOT DIE FINANSIËLE STATE SOOS OP 30 JUNIE 2009
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2008/2009	2007/2008
19 Cash generated by operations:		
Surplus/ (Deficit) for the year	2 776 467	232 557
Adjustments in respect of previous years' operating transactions	54 042	-232 207
Appropriations charged against income:	26 998	74 629
Capital Expenditure	-	19 035
Revolving Fund	26 998	23 784
Provisions and reserves	-	31 810
Fixed Assets	-	-
Capital Charges	402 396	388 565
Interest paid	-	-
Internal Funds	-	-
External loans	275 680	208 094
Redemption:	-	-
Internal Funds	-	-
External loans	126 716	180 471
Deferred charges written off	-	-
Investment income (operating account)	-	-
Non-operating income	3 259 904	7 213 708
Non-operating expenditure charged against:	-	-
- Accumulated funds	-	-
- Provisions and reserves	75 623	-5 577 104
- Deferred charges	-	-
	<u>3 335 527</u>	<u>2 100 148</u>
20. (Increase) /Decrease in working capital		
(Increase) /Decrease in stock	-	-
(Increase) / Decrease in debtors	-6 633 442	-2 077 892
Increase/(Decrease) in advances	-	-
Increase/ (Decrease) in creditors	2 964 581	1 201 627
	<u>-3 668 861</u>	<u>-876 265</u>
21. Increase/(Decrease) in long-term loans (External)		
Loans raised	293 327	442 434
Loans repaid	126 716	180 470
	<u>166 611</u>	<u>261 964</u>
22 (Increase) /Decrease in external investments		
Investments made	38 511	-25 466
Investments withdrawn	-	-
	<u>38 511</u>	<u>-25 466</u>
23 (Increase) /Decrease in cash on hand		
Cash balances at the beginning of the year	-1 853 932	-771 613
Less: Cash balances at the end of the year	-1 457 248	-1 853 932
	<u>-396 684</u>	<u>-1 082 319</u>
The Municipality's primary bank account is held at First National Bank, Groblershoop and is a cheque account.		

!KHEIS MUNISIPALITEIT/MUNICIPALITY
AANTEKENINGE TOT DIE FINANSIële STATE SOOS OP 30 JUNIE 2009
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2009

	2008/2009	2007/2008
24 Retirement Benefits		
The officials are members of the Cape Joint Pension Fund, Imatu and SAMWU. The actuarial valuation can be provided on request.		
25 Contingent liabilities and contractual obligations		
The Council has no contingent liabilities.		
26 Capital Commitments		
Commitments in respect of capital expenditure		
Approved and contracted	725 416	725 416
Approved but not contracted	-	-
	<u>725 416</u>	<u>725 416</u>
This expenditure will be financed from:		
- Internal sources	-	-
- External sources	-	-
	<u>-</u>	<u>-</u>
27 Consolidated Loans Fund		
Outstanding advances to borrowing services		
External loans (see Appendix B)	-	-
Internal Investments (surplus funds)	-	-
Creditors	-	-
	<u>-</u>	<u>-</u>
Less:	-	-
Deferred charges	-	-
Debtors	-	-
Temporary advances	-	-
	<u>-</u>	<u>-</u>
(Refer to appendix B for more detail)		
28 Revolving Fund		
Outstanding advances to borrowing services		
Accumulated funds	-952 155	925 157
Less: Internal advances to borrowing services	-	-
	<u>-952 155</u>	<u>925 157</u>
29 UNAUTHORISED EXPENDITURE	None	None
30 IRREGULAR EXPENDITURE	None	None
31 Bankrekening		
Bank accounts		
First National Bank - Tjekrekening/Cheque account	(1 457 248)	
	<u>(1 457 248)</u>	<u>-</u>
Cashbook Balance on 1 July 2008 : R 1 854 393 overdraft		
Cashbook Balance on 30 June 2009 : R 1 457 248 overdraft		
Bank Balance on 1 July 2008 : R 1 172 934		
Bank Balance on 30 June 2009 : R 1 231 029		
First National Bank - Groblershoop		
Account Number 62026193441 : Current Account		

AANHANGSEL A/APPENDIX A

IKHEIS MUNISIPALITEIT/MUNICIPALITY

Opgehoopte Fondse, Trustfondse, Reserwes en Voorsienings vir die jaar geëindig 30 Junie 2009

Accumulated Funds, Trust funds, Reserves and Provisions for the year ended 30 June 2009

	Balance at 30/6/2008	Contributions during the year	Interest on investments	Other Income	Expenditure during the year	Balance at 30/6/2009
	R	R	R	R	R	R
Accumulated Funds:						
Revolving Fund	-925157	-26 998	-	-	-	-952 155
	-925 157	-26 998	-	-	-	-952 155
Trust funds:						
DWAF - Water	127130	-	-	702 448	530 120	299 458
One Stop Service Centre	16507	-	-	4 937	4 937	16 507
Financial Management Grant	261135	-	-	500 000	416 912	344 223
Siyanda DM -Lightning project	346608	-	-	-	-	346 608
Housing Topline	-10646	-	-	15 637	4 991	0
Kheis Cleaning Project	6334	-	-	-	6 334	-
Mun Systems Improvement Grant	-	-	-	1 151 912	792 412	359 500
Topline Community Hall	566178	-	-	-	-	566 178
Gariep Water	132231	-	-	480 781	579 991	33 021
Upgrading Water G/Hoop/Sternham	-192660	-	-	2 228 582	1 441 985	593 937
Boegoeberg Sportgronde - Lotto	231945	-	-	216 422	448 367	0
Wegdraai Sportgronde - Lotto	361240	-	-	-	139 294	221 946
	1 846 002	-	-	5 300 719	4 365 343	2 781 377
Reserves:						
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Provisions:						
Bad debts	3 403 333		-	-	-	3 403 333
Less :Transferred debtors	-3 403 333		-	-	-	-3 403 333
Leave accruals	179 096		-	-	-	179 096
	-	-	-	-	-	-
	179 096	-	-	-	-	179 096
	1 099 941	-26 998	-	5 300 719	4 365 343	2 008 318

AANHANGSEL B/APPENDIX B

IKHEIS MUNISIPALITEIT/ MUNICIPALITY

Eksterne Lenings en Interne Voorskotte vir die jaar geëindig 30 Junie 2009

	Balance at 30/6/2008	Received during the year	Redeemed Written off	Balance at 30/6/2009
EXTERNAL LOANS				
Development Bank of SA	2 234 985	191 991	25 380	2 401 596
ABSA	-	-	-	-
BMW Finance	0	-	-	-
Nissan Finance (Wesbank)	470 963	101 336	101 336	470 963
	2 705 948	293 327	126 716	2 872 559
INTERNAL LOANS				
Revolving Fund	-	-	-	-
	-	-	-	-

AANHANGSEL C / APPENDIX C

IKHEIS MUNISIPALITEIT/MUNICIPALITY
Ontleding van Vaste Bates vir die jaar geëindig 30 Junie 2009
Analysis of Fixed Assets for the year ended 30 June 2009

Expenditure 2008	SERVICE	Balance 30/6/2008	Expenditure 2009	Written off or disposed of during year	Balance 30/6/2009
	Rates and General				
746 742	Services	16 431 946	1 916 642	94 175	18 254 413
401 454	<i>Community Services</i>	9 963 159	1 596 487	27 024	11 532 622
363 289	Land	530 462		-	530 462
-	Buildings	3 348 821		-	3 348 821
19 035	Equipment	369 565		-	369 565
-	Public Works	88 219		-	88 219
9 103	Vehicles	351 292		-	351 292
-	Caravan Park	22 407		-	22 407
-	Other	3 022 534		-	3 022 534
-	Furniture	89 227		-	89 227
-	<i>Public Services</i>	-		-	-
10 027	Vehicles	591 389		-	591 389
-	Equipment and Sreetlightning	102 011	-	27 024	74 987
-	Roads	1 447 232		-	1 447 232
-	Sportgronde		615 434		615 434
-	Hoe Masbeligting	-	981 054	-	981 054
-	<i>Subsidized Services</i>	-	-	-	-
-		-	-	-	-
-		-	-	-	-
345 288	<i>Economic Services</i>	6 468 787	320 155	67 151	6 721 791
345 288	Sewerage	3 451 476	320 155	67 151	3 704 480
-	Sanitation Equipment	3 017 311	-	-	3 017 311
-	Housing Services	-	-	-	-
-		-	-	-	-
-	Sub Economic Housing	-	-	-	-
-	Trading Services	6 979 974	2 552 096	-	9 532 070
-		6 979 974	2 552 096	-	9 532 070
-	Water	-	-	-	-
746 742	TOTAL FIXED ASSETS	23 411 920	4 468 738	94 175	27 786 483
	Less Loans redeemed and other capital receipts	-21 578 611	-4 440 966	-	-26 019 577
		-21 578 611	-4 440 966	-	-26 019 577
	-Loans redeemed and advances paid back	-1 248 546		-	-1 248 546
	-Grants and subsidies	-19 628 836	-4 440 966	-	-24 069 802
	-Contribution ex operating income	-701 229		-	-701 229
	-Contribution from the public	-		-	-
	Net Fixed Assets	1 833 309	27 772	-	1 766 906

AANHANGSEL D/APPENDIX D

!KHEIS MUNISIPALITEIT/MUNICIPALITY

Ontleding van Bedryfsinkomste en -Uitgawe vir die jaar geëindig 30 Junie 2009
 Analysis of Operating Income and -Expenditure for the year ended 30 June 2009

Actual 2008 R		Actual 2009 R	Budget 2009 R
Income			
5 979 708	Grants and subsidies: National/ Provincial Government	-8 406 670	8 591 915
6 171 920	Operating Income	-6 463 676	6 574 575
359 979	Property Tax	-356 155	356 030
2 277 117	Sale of water	-2 543 900	2 930 378
-	Cleansing \$Sanitation	-2 692 332	2 763 999
3 534 824	Other services	-871 290	524 168
12 151 628		-14 870 347	15 166 490
Expenditure			
5 462 279	Salaries, wages and allowances	6 069 867	5 944 603
5 304 852	General expenditure	5 059 327	8 151 087
-	- Purchase of electricity	-	-
352 939	- Purchase of water	559 948	420 000
4 951 913	- Other general expenses	4 499 378	7 731 087
652 808	Repairs and maintenance	505 044	685 201
415 701	Capital charges	402 396	478 957
-	- Provisions	-	-
59 487	Contributions to fixed assets	3 223	-
23 944	Contributions	54 022	70 525
11 919 071	Gross expenditure	12 093 879	15 330 373

AANHANGSEL E/APPENDIX E

IKHEIS MUNISIPALITEIT/MUNICIPALITY
GEDETAILEERDE INKOMSTESTAAT VIR DIE JAAR GEËINDIG 30 JUNIE 2009
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNIE 2009

Actual Income 2008 R	Actual Expenditure 2008 R	Surplus/ (Deficit) 2008 R		Actual Income 2009 R	Actual Expenditure 2009 R	Surplus/ (Deficit) 2009 R	Budget Surplus/ (Deficit) R
9 635 223	10 122 034	-486 811	Rates and General services	12 326 446	10 499 545	1 826 901	-1 083 251
7 121 751	9 599 800	-2 478 049	<i>Community Services</i>	9 634 115	9 843 654	-209 539	-3 091 260
6 764 771	6 599 220	165 551	Rates & General	9 242 398	6 857 715	2 384 682	-14 166
100 000	1 806 238	-1 706 238	Council General Cost	-	1 884 245	-1 884 245	-1 918 528
16 858	1 194 342	-1 177 484	Public Works	15 792	1 101 694	-1 085 901	-1 203 534
240 122	-	240 122	Licensing/Traffic	375 925	-	375 925	44 968
-	-	-		-	-	-	-
-	-	-	<i>Subsidized Services</i>	-	-	-	-
-	-	-		-	-	-	-
2 513 472	522 234	1 991 238	<i>Economic Services</i>	2 692 332	655 891	2 036 441	2 008 009
2 513 472	522 234	1 991 238	Refuse/Sanitation	2 692 332	655 891	2 036 441	2 008 009
-	-	-		-	-	-	-
-	-	-	Housing Services	-	-	-	-
2 516 405	1 797 037	719 368	Trading Services	2 543 900	1 594 335	949 566	919 368
2 516 405	1 797 037	719 368	Water	2 543 900	1 594 335	949 566	919 368
-	-	-		-	-	-	-
12 151 628	11 919 071	232 557	Total	14 870 347	12 093 879	2 776 467	-163 883
			Appropriations for the year (Refer note 18)			54 042	
		-232 207					
		350	Net surplus\ (deficit) for the year			2 830 509	
		17 532	Accumulated surplus\ (deficit) beginning of the year			17 882	
		17 882	Accumulated surplus\ (deficit) end of year			2 848 391	

!KHEIS MUNICIPALITY

20

AANHANGSEL F/APPENDIX F

!KHEIS MUNISIPALITEIT/MUNICIPALITY

STATISTIEKE VIR DIE JAAR GEËINDIG 30 JUNIE 2009

STATISTICS FOR THE YEAR ENDED 30 JUNE 2009

	2008/2009	2007/2008
General Statistics		
Population	16 027	16 027
Registered voters	7 669	7 669
Total Valuations		
- Taxable Properties	16 426 140	16 426 140
- Non-Taxable Properties	268 950	268 950
- Residential Properties	8 803 140	8 803 140
- Commercial Properties	5 462 000	5 462 000
Number		
- Residential	1 993	1 993
- Commercial	35	35
- Government	16	16
- Municipal	11	11
- Non-Taxable Properties	1 857	1 857
Assessment Rates (cent per Rand)		
- Basic (per rand)	1.99/R1	1.99/R1
- Discount: Government	20%	20%
Number of Employees	51	35
Water statistics		
Units bought	Not metered	Not metered
Units sold		
Units lost	Not metered	Not metered
Units lost as % units bought		
Cost per unit sold - Basic charge	R 26.75	R 25.00
- Purified water	R 2.13	R 1.99
	R 2.57	R 2.40
	R 3.08	R 2.88
	R 3.70	R 3.46
	R 3.70	R 3.46
	R 3.70	R 3.46
	R 10.70	R 10.00
	R 12.84	R 12.00